



## Washington Electric Cooperative, Inc.

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Mrs. Susan Hudson, Clerk  
Vermont Public Service Board  
112 State Street Drawer 20  
Montpelier VT 05620-2701

RE: DPS letter to PSB of 29 May 2009, in re: Docket 7466  
23 June 2009

Dear Ms. Hudson:

Washington Electric Co-op (WEC) herein offers its comments on the DPS letter summarizing the outstanding issues in the docket. WEC generally supports the form and structure as proposed in or modified by the "20090529 DPS Draft Rec. D 7466.doc" filing by the parties.

WEC joins with VEIC and others and adds our support of two of the ten cited issues described in the Department's letter.

In regards to the *Initial Overall Performance Assessment* (#4) WEC does not support an Overall Performance Assessment prior to the first appointment of the EEU under the proposed appointment model. WEC believes that the Board can, at its discretion, order any level of performance assessment for cause without making an additional requirement in Docket 7466.

WEC believes there should be no offset for *Alternative Funding Sources* (#6) to then reduce the EEC allocation, as was contemplated under the original Draft Recommendation. WEC believes that the DPS position, that this issue should be decided on a case by case basis contingent on securing alternative funding sources could be workable under some conditions, but wonders whether the DPS proposal would create the potential for undermining the equity of the EEU funding mechanism for all Vermonters.

WEC supports the order of appointment proposal for Efficiency Vermont which has been the focus of the two year process in this Docket. We believe the Board should affirm moving from the contract model to the order of appointment model and provide for a longer term than the existing six year contract. Vermont statutes would allow an appointment of twelve years' duration, which WEC supports. The structural advantages of an order of appointment of a longer duration to the Efficiency Utility will provide operational and long-term benefits to EVT and to ratepayers.

These benefits include the increased ability to engage in long term planning, as well as to retain EVT personnel, and to engage in a meaningful way in the Forward Capacity Market on behalf of all Vermont. With the coming of the All-Fuels Utility there will be additional value in transitioning to the order of appointment model, as well.

WEC believes that the Draft Recommendations provide a robust structure for evaluation of EVT performance; WEC continues to support the overall approach and incentives for performance established by the Board under the EVT contract, which would continue under the order of appointment, if approved by the Board.

Please contact me if there are questions.

Sincerely,

William Powell  
Director, Products & Services

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